



12th Annual CITIZENS WATCHDOG COMMITTEE

# Report to the Public









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### Measure B Sales Tax Activities

COUNTY VOTERS APPROVED MEASURE B, which extended the county's half-cent transportation sales tax to 2022 and set forth a 20-year Expenditure Plan. Measure B also established a Citizens Watchdoa Committee (CWC) to represent the different perspectives of taxpayers throughout the county and to review all Measure B expenditures on projects, programs and administration for

IN NOVEMBER 2000, ALAMEDA

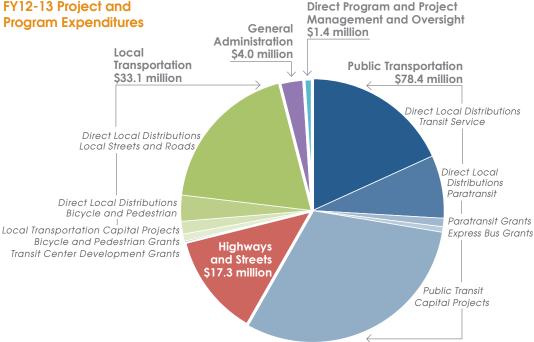
compliance with the Expenditure Plan. The CWC reports its findings annually to the public. This past year, CWC members performed a number of activities to ensure appropriate use of transportation sales tax funds, reviewed compliance reports for adherence to funding policies and further developed public outreach. This 12th annual report covers expenditures during the fiscal year ended June 30, 2013 (FY12-13) and CWC activities through July 2014.

# Summary of Expenditures

THE ALAMEDA COUNTY TRANSPORTATION COMMISSION (ALAMEDA CTC) IS RESPONSIBLE

for administering the Measure B half-cent transportation sales tax measure as well as congestion

FY12-13 Project and **Program Expenditures**  management agency functions. In FY12-13, Measure B revenues totaled \$121.1 million, and audited expenditures totaled \$134.2 million for different transportation modes. oversight and administration.



### Financials At-a-Glance

#### ALAMEDA CTC AUDITED **EXPENDITURES INCLUDE general** administration, direct program and project management and oversight expenses, Measure B discretionary grant fund expenditures, project expenditures and payments to jurisdictions for four main programs: local streets and roads, mass transit, paratransit and bicycle and pedestrian safety. In FY12-13, audited Measure B expenditures on programs, projects and administration totaled \$134.2 million. Program compliance reports submitted by Measure B fund recipients reported \$69.5 million in expenditures, which includes expenditures of Measure B fund balances from previous years.

For Measure B-related projects and programs, Alameda CTC expended \$60.6 million on capital projects, \$64.8 million on direct local distributions, \$3.4 million on grants, \$4.0 million on general administration and \$1.4 million on direct program and project management and oversight.<sup>2</sup> The 2000 Measure B Expenditure Plan specifies the use of approximately 60 percent of Measure B revenues to fund programs and 40 percent to fund projects. The percentages of actual project and program expenditures may vary from the Expenditure Plan percentages, because the expenditures in the Expenditure Plan are expected to be experienced over the life of the measure versus on a fiscal-year basis for capital projects.

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Direct Local Distributions - Transit Service Direct Local Distributions - Paratransit Paratransit Grants Express Bus Service Grants Public Transit Capital Projects	\$24.5 10.4 1.4 0.9 41.2			
Highways and Streets Capital Projects		17.3		
Local Transportation  Direct Local Distributions - Local Streets and Roads Direct Local Distributions - Bicycle and Pedestrian Bicycle and Pedestrian Grants Transit Oriented Development Grants Local Transportation Capital Projects	25.7 4.3 1.2 -0.2 <sup>3</sup> 2.1	33.1		
General Administration		4		
Direct Program and Project Management and Oversight				
		4		

(\$ in millions rounded)2

\$78.4

Total: \$134.2 <sup>1</sup> In accordance with the 2000 Measure B Expenditure Plan, Alameda CTC allocates funds for specific capital projects and grants (paid on a reimbursement basis), and distributes sales tax revenue on a monthly, formulaic basis to the

Alameda CTC FY12-13 Audited Expenditures<sup>1</sup>

Public Transportation

#### FY12-13 Measure B Direct Local Distribution Totals for All Programs<sup>1</sup>

Agency/Jurisdiction	Beginning Balance	Distributions	Expended	Ending Balance
ACE	\$2,649,530	\$2,439,225	\$2,613,047	\$2,478,936
ACPWA	3,947,320	2,927,165	6,141,952	749,251
AC Transit	0	24,656,883	24,656,883	0
BART	0	1,714,361	1,714,361	0
City of Alameda	3,955,233	1,963,870	2,934,633	3,008,030
City of Albany	24,854	462,127	58,615	428,813
City of Berkeley	2,377,339	3,248,861	4,175,224	1,548,673
City of Dublin	1,211,812	501,428	840,550	880,674
City of Emeryville	419,026	291,336	558,543	153,027
City of Fremont	4,800,983	3,454,400	4,102,207	4,194,003
City of Hayward	1,911,083	3,168,715	2,912,685	2,162,307
City of Livermore	1,711,127	1,136,674	962,115	1,879,663
City of Newark	558,234	695,020	1,008,716	244,705
City of Oakland	10,691,786	11,585,004	10,325,085	11,968,061
City of Piedmont	418,159	415,774	278,689	555,947
City of Pleasanton	2,358,055	1,009,922	1,070,300	2,289,901
City of San Leandro	3,059,306	1,770,488	1,363,699	3,472,226
City of Union City	2,272,119	1,529,641	2,613,437	1,201,273
LAVTA	0	943,706	943,706	0
WETA	2,502,463	897,451	218,426	3,183,231
Total <sup>2</sup>	\$44,868,430	\$64,812,051	\$69,492,873	\$40,398,721

cities, county and transit operators to meet local transportation needs. <sup>2</sup> Expenditure amounts may vary by category due to rounding

<sup>&</sup>lt;sup>3</sup> Credit due to a fund reclassification (see page 5 for more detail).

<sup>&</sup>lt;sup>1</sup> The reported expenditures may include Measure B grant funds, fund balances and reserves from prior years, resulting in higher reported expenditures than receipts. <sup>2</sup> Revenue and expenditure amounts may vary due to rounding

# Citizens Watchdog Committee Activities

THE CITIZENS WATCHDOG COMMITTEE (CWC) has undertaken the following activities since July 1, 2012.

- Ongoing Programs and Capital Projects Watch: The CWC continued to watch specific programs and capital projects and to monitor issues of concern.
- Ongoing Areas of Interest: The CWC requested information from Alameda CTC regarding the following areas of interest and received information on:
  - -Alameda CTC's plan to issue limited tax bonds secured by a pledge of sales tax revenues to finance capital expenditures in the Expenditure Plan. The Commission adopted a debt policy to establish guidelines for the issuance and management of debt and to ensure compliance with applicable postissuance requirements of federal income tax law to preserve the tax-exempt status of the bonds. The CWC expressed concern to the Commission about the nature and extent of the public process before the debt issuance.
  - -The AAA credit ratings issued by Fitch Ratings and Standard and Poor's for Alameda CTC's highquality financial management of the Measure B sales tax, making Alameda CTC the first agency of its kind in California to receive AAA ratings from both ratings services. The CWC also requested and received detailed information from

- Alameda CTC on the tax bonds, including accounting for the bonds, their benefits and potential risks, and anticipated bond revenues.
- -Alameda CTC's capital projects expenditures with emphasis on the Dumbarton Corridor Area Transportation Improvements. Due to a funding shortfall that put the Dumbarton Corridor rail project on hold, Alameda CTC committed \$13.3 million of the remaining Measure B allocation, consistent with the Expenditure Plan, to the Newark Central Rail Overpass Project.
- -Alameda CTC's process for review of project invoices, submitted by project sponsors, to ensure compliance with Master Project Funding Agreements and Project Specific Funding Agreements before authorizing payment.
- -CWC Annual Report outreach efforts including electronic outreach data as well as cost estimates for ad placements on AC Transit and BART.
- Ongoing Budget Update: The CWC received and reviewed the annual budget and mid-year budget updates.
- Audit and Compliance Report Review (January 2013): The CWC performed its review of Measure B direct distribution recipients' audited financial statements and compliance reports, and requested additional

information to help clarify agency expenditures. The CWC was satisfied with this information.

- Independent Financial Audits:
  - The CWC met with independent financial auditors on the Alameda County Transportation Improvement Authority (ACTIA) Measure B audited financial report through the termination of ACTIA on February 29, 2012 and on the consolidated Alameda CTC audited financial report for the year ended June 30, 2012 with an emphasis on Measure B revenues and expenditures. The independent auditors did not identify any accounting concerns. In November 2013, the CWC received a presentation from independent financial auditors on the audited Comprehensive Annual Financial Report for the year ended June 30,2013. Again, the auditors did not identify any accounting concerns.
- CWC Audit Subcommittee Process: In July 2012, the CWC created an audit subcommittee and process to provide input on items of interest related to Measure B to the independent auditor. The independent auditor met with the CWC Audit Subcommittee before and after the ACTIA audit through February 29, 2012.

In December 2012, a joint Commission Audit Committee and CWC Audit Subcommittee met with the independent auditor to receive an explanation of the first consolidated Alameda CTC audited financial report since the merger of the Alameda County Congestion Management Agency and ACTIA. The CWC Audit Subcommittee raised concerns regarding tracking **ACTIA Measure B figures for** accuracy from the Limitations Calculation Worksheet to the audited, consolidated financial report. In response, Alameda CTC staff modified the Limitations Calculation Worksheet. In 2013, the independent auditor met with the CWC Audit Subcommittee before and after the FY12-13 independent annual audit which resulted in additional testing and the need for providing more detail to the CWC Audit Subcommittee on the audit processes.

Annual Report to the Public (2013-2014): In March, CWC members established a subcommittee to develop its annual report. At the July meeting, the CWC held a public hearing to receive comments on the report. Public outreach included a press release, online ads that link to the web-based report, print advertisements in Bay Area publications, reference to the report in the Alameda CTC e-newsletter, e-mail and print

- mailings of the report, outreach on Alameda CTC's Twitter feed and Facebook page, distribution of the report at outreach events, translation of the advertisements and the report into Chinese and Spanish, and outreach to Asian and Hispanic community organizations.
- **Annual Report Outreach Objectives** Subcommittee (January 2014): The CWC established a subcommittee to discuss outreach objectives for the CWC Annual Report. Since the Expenditure Plan does not provide details as to the scope of public reporting, the CWC convened the Outreach Subcommittee to examine how to best structure outreach practices that target maximum distribution among and to Alameda County residents. The subcommittee concluded that:
  - Alameda County residents represent the public and are the CWC's target audience for annual report outreach.
  - -CWC members should do what they can to facilitate dissemination of the Annual Report to the Public.
  - -The CWC will continue to identify additional report recipients.

The outreach program for the 11th Annual Report included a wide range of media beyond the local newspapers including social media and a Constant Contact e-mail blast to almost 4,000 organizations. Many CWC members visited their city council, local farmer's market and other venues to discuss, distribute and promote

- the report. Members contacted local jurisdictions that benefit from Measure B funding and encouraged them to post the report on their web pages.
- Audit and Compliance Report Review (January 2014): The CWC reviewed Measure B direct distribution recipients' audited financial statements and compliance reports. The Master Programs Funding Agreements specify compliance policies. The CWC closely monitors compliance with detailed funding plans and implementation schedules required by the policies including timely use of funds.
- Information Received by CWC (Ongoing): The CWC received updates on:
  - -The progress of Alameda CTC's implementation of the One Bay Area Grant Program adopted by the Metropolitan Transportation Commission. Alameda County is estimated to receive \$63 million over four fiscal years for transportation projects.
  - -The Local Business Contract Equity Program goals reached. In FY12-13, Alameda CTC reported that it exceeded its 70 percent Local Business Enterprises (LBEs) goals for professional and administrative services. Total payments to LBEs equaled an estimated \$5.0 million (72 percent) for active contracts. For exempt contracts, total payments to LBEs exceeded \$0.2 million (60 percent).

## Alameda CTC Programs

#### ALAMEDA CTC ALLOCATES APPROXIMATELY 60 PERCENT OF MEASURE B FUNDS, net

of administrative funding, on a monthly, formula basis (direct local distributions) and through competitive grants paid on a reimbursement basis to Alameda County, cities and transit agencies for programs. In FY12-13, Alameda CTC expended \$68.2 million in Measure B funds on programs.<sup>1</sup>

#### Local streets and roads:

All cities and the county receive allocations for local transportation improvements, including street maintenance and repair. Jurisdictions use these flexible Measure B funds to meet their locally determined transportation priorities.

- Payments to jurisdictions: \$25.7 million
- Grants: \$0
- Total: \$25.7 million

#### Mass transit:

Transit operators for systems including ACE, AC Transit, Union City Transit, WETA and Wheels receive allocations for operations.

- Payments to local transit operators: \$24.5 million
- Grants: \$0.9 million for Countywide Express Bus Service Grants
- Total: \$25.4 million

#### Special transportation for seniors and people with disabilities (paratransit):

Cities and transit operators receive funds to support their ongoing transportation programs for seniors and people with disabilities.

- Payments to local jurisdictions: \$10.4 million
- Grants: \$1.4 million for Paratransit Gap Grants and stabilization funds
- Total: \$11.8 million

#### Bicycle and pedestrian safety funds:

All cities and the county receive these funds for bicycle and pedestrian capital projects, programs and plans.

- Payments to local jurisdictions: \$4.3 million
- Grants: \$1.2 million for Countywide Discretionary Fund Grants
- Total: \$5.5 million

#### Transit oriented development:

A small portion of Measure B revenues are awarded through the Transit Oriented Development Grant Program and leverage other funds by becoming a local match for grants and studies.

- Grants: -\$0.2 million
- Total: -\$0.2 million<sup>2</sup>

- The 2000 Measure B Expenditure Plan includes the following program allocations: local streets and roads (22.34%), mass transit (21.92%), transportation for seniors and people with disabilities (10.45%), bicycle and pedestrian safety (5%) and transit center development (0.19%). See the FY12-13 Program Compliance Report for data on expenditures by Measure B fund recipients (http://www.alamedactc.org/files/managed/Document/14087/FY12-13\_MB\_Compliance\_ Summary Report FINAL 20140630.pdf).
- Alameda CTC reported a credit in the Transit Oriented Development (TOD) Grant Program due to a reclassification of invoices from a prior year that were erroneously charged to the TOD fund instead of the express bus fund.



Measure B funds transportation programs for seniors and people with disabilities, such as volunteer escort and driver programs that provide access to community organizations, shopping and medical appointments.



More than 100 schools participate in the Safe Routes to Schools Program that supports safe, healthy access to school by walking, biking and carpooling.



As part of Bike to Work Day, thousands of people throughout Alameda County participated in this event that supports active transportation and healthy lifestyles.

# Alameda CTC Projects



The I-238 Widening Project was completed in 2009 and continues to provide traffic relief in Central Alameda County on this major freight corridor.



The free Broadway Shuttle gets people out of their cars and onto public transit, reducing automobile miles traveled by 3.3 million miles each year.

ALAMEDA CTC ALLOCATES 40 PERCENT OF MEASURE B

FUNDS to capital projects, net of administrative funding. In FY12-13, Alameda CTC expended \$60.6 million on capital projects for transportation infrastructure improvements, such as BART rail extensions, highway and transit improvements, local street and road enhancements, intermodal projects and other local projects.

In addition to the 26 voter-approved capital projects, Alameda CTC added the following projects approved by the Commission pursuant to the Expenditure Plan: the Vasco Road Safety Improvement Project from the Measure B Congestion Relief Emergency Fund in 2003, the I-80 Integrated Corridor Management Project in 2008, the I-880/23rd and 29th Avenues Interchanges and the Countywide Transportation Plan/Transportation Expenditure Plan in 2010, and the Studies for Congested Segments/ Locations on the CMP Network in 2011.

Some of the projects in the 2000 Measure B Expenditure Plan are funded for specific phases. The local sales tax dollars allow the initial project development phases to move forward, while project sponsors secure other funding sources to complete construction. This lets Alameda CTC efficiently and expeditiously deliver projects. By 2012, the midpoint of the current transportation sales tax measure, Alameda CTC had delivered 95 percent of all capital project investments.

The chart on the next page shows the project phases, schedule, funding commitments and total project costs for the capital projects.

Notes for chart on page 7:

- <sup>1</sup> The Current Phase is based on a status date effective March 31, 2014. The Project Closeout phase indicates construction is complete, and the project financial closeout is underway.
- $^2$  Project Planning Areas include C = Central County, E = East County, N = North County, S = South County.
- <sup>3</sup> Construction schedules shown are subject to change based on project delivery activities. Begin Construction date shown is typically the expected contract award date. End Construction date for BART capital projects is the point at which transit/revenue service will begin.
- 4 The funding amounts shown are subject to change based on programming and allocation activities by the applicable governing agency.

The BART Oakland Airport Connector Project will be in service beginning November 2014, providing a convenient transit connection from BART to the Oakland International Airport.



### Project Status as of March 2014

Current	2000	) MB Project No.	County Area <sup>2</sup>	Construction Schedule <sup>3</sup>		Project Funding Sources <sup>4</sup> (\$ X million)					Total Cost/	FY12-13 Expendi-	
Phase <sup>1</sup>		and Project Name		Begin End		2000 MB Federal State				Local		Funding	tures
Complete	05	Fruitvale Transit Village	N	Oct 2002	Mar 2004	4.4	0.0	7.7	0.0	1.4	0.0	13.5	0.0
Complete	17	Hesperian/Lewelling Blv Intersection Improveme		Oct 2003	Oct 2012	0.8	0.0	0.0	0.0	0.1	0.0	0.9	0.0
Complete	21	I-238 Widening	С	Sep 2006	Oct 2009	81.0	18.3	29.2	0.0	3.3	0.0	131.8	0.9
Complete	11	I-880/Washington Avenu Interchange Improveme		Apr 2009	May 2010	1.3	0.5	0.0	0.0	1.4	0.0	3.2	0.
Complete	20	Newark Local Streets Rehabilitation	S	Jun 2003	Feb 2006	1.4	0.0	0.0	0.0	4.1	0.0	5.5	0.
Complete	16	Oakland Local Streets Rehabilitation	Ν	Jul 2004	Dec 2006	5.3	0.0	0.0	0.0	0.0	0.0	5.3	0.
Complete	06	Union City Intermodal Station	S	Jun 2007	Mar 2012	12.6	20.4	7.7	0.0	6.3	0.0	47.0	0.
Complete/ Construction	27	Emerging Projects (Congestion Relief Emergency Fund)	N/E	Various	Various	10.4	18.0	242.7	11.2	27.8	0.0	310.1	1.
Complete/ Construction	14	I-580 Auxilliary Lanes	Е	Various	Various	14.4	6.4	115.8	14.5	1.0	0.1	152.2	0.
Complete/ Construction	18	Westgate Parkway Extension	С	Various	Various	8.5	0.0	0.0	0.0	0.0	0.0	8.5	0.
Complete/ Design	07	San Pablo/Telegraph Avenue Corridor Transit Improvements	N	Various	Various	24.5	173.4	63.3	95.1	0.3	24.2	380.8	1.
Complete/ Environmental	08	I-680 Sunol Express Lane Improvements	s S, E	Various	Various	35.2	5.4	8.0	0.0	8.0	0.0	56.6	4.
Plant stablishment	12	I-580 /Castro Valley Interchanges Improvements	С	Jun 2008	Jun 2011	11.5	1.9	4.8	0.0	15.0	0.0	33.2	0.
Project Closeout	23	Isabel Avenue - Route 8 I-580 Interchange	4/ E	Jan 2009	Mar 2012	25.1	11.3	44.4	0.0	32.4	0.0	113.2	4.
Project Closeout	13	Lewelling/East Lewelling Blvd Widening	С	Jul 2009	Oct 2012	13.6	0.0	4.3	0.0	13.8	0.1	31.8	0.
Construction	01	Altamont Commuter Express Rail	S,E	Various	Various	13.2	123.1	155.3	0.0	182.6	0.0	474.2	3.
Construction	03	BART Oakland Airport Connector	N	Sep 2010	Nov 2014	89.1	130.7	78.9	146.2	39.3	0.0	484.2	22.
Construction	02	BART Warm Springs Extension	S	Sep 2009	Dec 2015	224.4	0.0	295.4	321.0	49.2	0.0	890.0	11.
Construction	04	Downtown Oakland Streetscape Improvement	N ent	Sep 2007	Dec 2015	6.4	0.0	0.0	0.0	8.5	0.0	14.9	0.
Construction/ Design	24	Route 84 Expressway	Е	Oct 2014	May 2016	96.4	0.0	26.1	0.0	10.0	3.5	136.0	6.
Design	19	East 14th St/Hesperian Blvd/150th St Intersectio Improvement	C	Jan 2016	Sept 2017	3.2	0.0	0.0	0.0	2.8	0.0	6.0	0.
Design	09	Iron Horse Transit Route	Е	April 2015	Oct 2016	6.3	0.0	0.0	0.0	5.7	0.0	12.0	0.
Design	15	Route 92/Clawiter - Whitesell Interchange and Reliever Route	С	Jul 2014	Feb 2016	27.0	0.0	0.0	0.0	0.7	0.0	27.7	0.
Environmental	25	Dumbarton Corridor Improvements	S	Various	Various	19.4	0.0	0.0	0.0	0.0	0.0	19.4	0.
invironmental/ ROW	26	I-580 Corridor/BART to Livermore Studies	Е	N/A	N/A	11.8	0.2	29.8	125.5	1.6	6.9	175.8	2.
Scoping	22	I-680/I-880 Cross Connector Studies (Study Only)	S	N/A	N/A	1.2	0.0	1.0	0.0	0.3	0.0	2.5	0.
Scoping	10	I-880/Broadway-Jackson Interchange Improvements	n N	N/A	N/A	8.1	0.0	0.0	0.0	2.5	0.0	10.6	0.



"The Citizens Watchdog Committee is responsible for providing independent oversight of Alameda CTC's Measure B sales tax dollar expenditures. Doing so not only provides an important fiscal review of large county expenditures but provides an additional demonstration to Alameda County voters and businesses that Measure B delivers on its promise.

"The CWC's annual reviews and analyses play an important role in ensuring that Measure B funds are spent in accordance with the measure, and I am pleased to report Alameda CTC's full compliance with Measure B requirements for the 12th year in a row."

James Paxson, CWC Chair

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### **CWC Members**

**Appointer** Name

James Paxson, Chair Deborah Taylor, Vice Chair Cynthia Dorsey Peter Michael Dubinsky Arthur B. Geen Sandra Hamlat James Haussener Miriam Hawley Steven Jones William Klinke Brian Lester Jo Ann Lew Harriette Saunders Robert A. Tucknott

East Bay Economic Development Alliance Supervisor Wilma Chan, District 3 Alameda County Mayors' Conference, District 5 Supervisor Richard Valle, District 2 Alameda County Taxpayers Association Bike East Bay

> Supervisor Nate Miley, District 4 League of Women Voters

Alameda County Mayors' Conference, District 1 Alameda Labor Council AFL-CIO

Supervisor Scott Haggerty, District 1

Alameda County Mayors' Conference, District 2 Paratransit Advisory and Planning Committee Alameda County Mayors' Conference, District 4 Supervisor Keith Carson, District 5

Alameda County Mayors' Conference, District 3 Sierra Club

#### How to Get Involved

Hale Zukas

Vacancy

Vacancy

Alameda CTC and the Citizens Watchdog Committee invite your participation to plan, fund and deliver transportation projects and programs that enhance mobility throughout Alameda County. Join one of Alameda CTC's community advisory committees — in addition to the CWC, the public serves on the Bicycle and Pedestrian Advisory Committee and the Paratransit Advisory and Planning Committee — or feel free to participate in and attend public meetings. Visit www.AlamedaCTC.org to learn more about opportunities to get involved.

#### **Further Information**

The complete 2000 Measure B Expenditure Plan and this report as well as agency compliance audits and reports are available at www.AlamedaCTC.org. Copies of these publications are also available at the Alameda CTC offices at 1111 Broadway, Suite 800, Oakland, CA 94607; you can reach us at 510.208.7400. To contact your local jurisdiction for information on Measure B-funded projects and programs, visit http:// www.alamedactc.org/app\_pages/ view/8072 or your jurisdiction's website.